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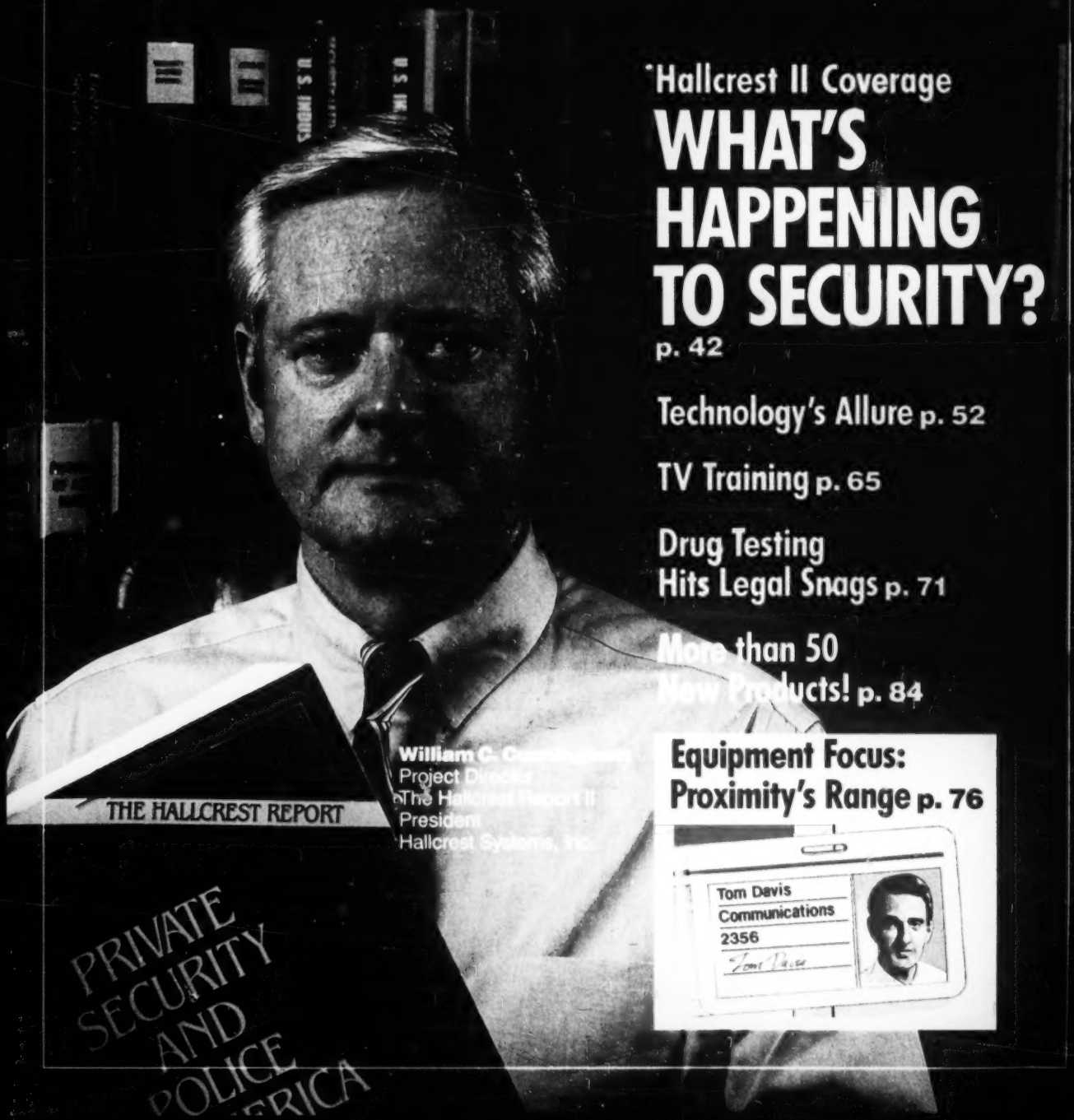
SEPTEMBER 1990

# SECURITY T.M.

*THE MAGAZINE FOR SECURITY DECISION MAKERS*




Hallcrest II Coverage

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# SECURITY T.M.

*THE MAGAZINE FOR SECURITY DECISION MAKERS*

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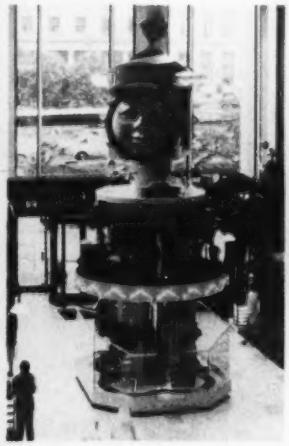


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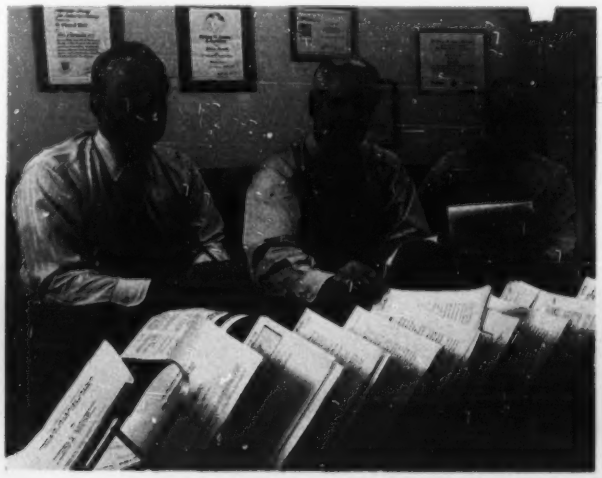

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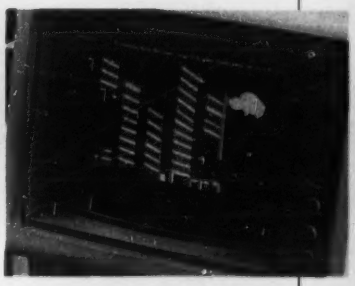


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# SECURITY INDICATORS

*Trends and forecasts for determining loss prevention needs.*

RISK MANAGEMENT

## Caps on Damages, Safety-Related Issues Lead Risk Managers' Concerns

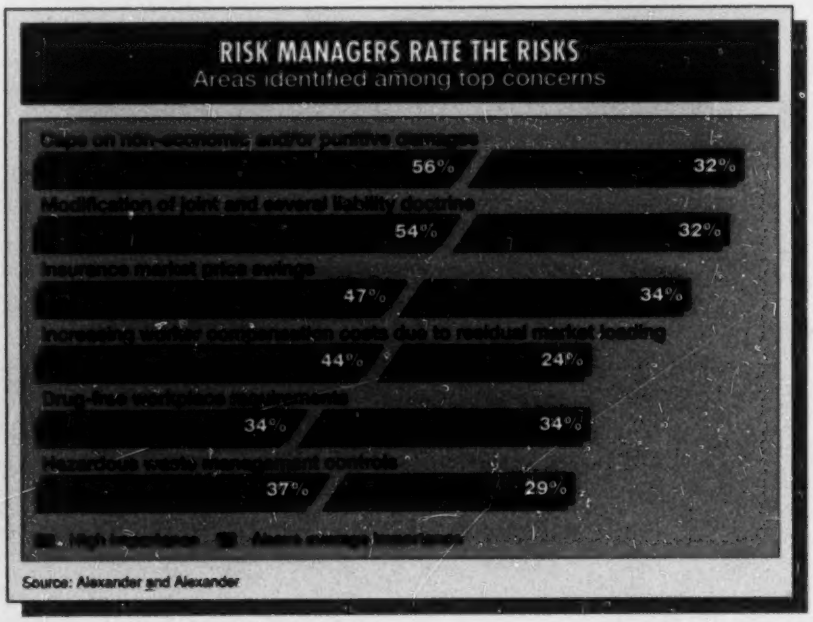
Unpredictable costs associated with America's civil justice system and safety-related issues such as increasing worker compensation costs, a drug-free workplace and hazardous waste management are among risk managers' top 15 concerns, according to the 1990 National Risk Management Survey conducted by Alexander & Alexander, Washington, D.C.

Risk managers representing manufacturing; services; utilities; oil, gas and natural resources; and chemical production industries were surveyed. Respondents ranked the importance of 68 legislative and regulatory risk management issues.

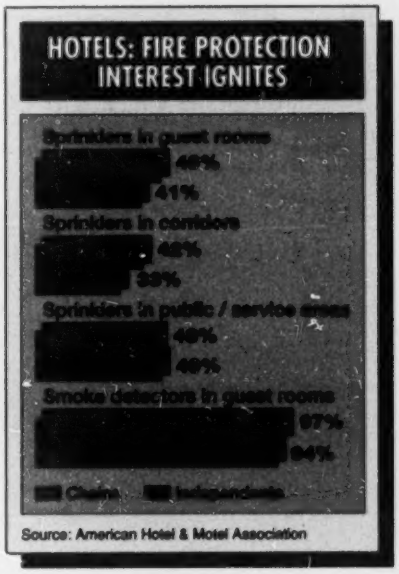
Worker compensation issues account for two of the top 15 risk management concerns, underscoring the need for safe, drug-free work environments. Interest in establishing federal standards or curbs on state worker compensation programs ranks 14th among concerns, demonstrating risk managers' preference for more consistency among programs.

As in 1989, caps on non-economic and/or punitive damages is the most important risk management issue. Following closely is interest in modification of joint and several liability doctrine. Insurance buyers say this doctrine unjustly exposes "deep pockets" to significant costs, regardless of other defendants' contributions to harm. Unpredictability of insurance market price swings ranks third in the overall rating.

Laurie Londoner, A&A's director and vice president of government and industry affairs, tells SECURITY, "While many risk managers benefit from lower insurance pricing, they are still concerned about abrupt price changes in the market. Insurer insolvencies are also a leading concern."




**Risk managers identify civil justice costs and workplace drugs among top concerns. On a scale of 1 to 5, 4 denotes above average importance and 5 high importance.**




**Smoke detectors, sprinklers or both protect nearly all lodging facilities.**

SAFETY

## Fire-Conscious Lodging Industry Protects Guests

Nearly 100 percent of the United States' hotels and motels protect guest rooms with smoke detectors, according to the American Hotel and Motel Association, Washington, D.C.

The association's report, "Fire Protection in the Lodging Industry," represents 4,500 hotels and motels — both chains and independents — which operate 762,000 guest rooms. Ongoing Congressional debate over the industry's use of built-in automatic fire detection and suppression equipment prompted the association to research the issue.

In addition to finding that smoke detector use within hotel and motel guest rooms is almost universal, the results show that nearly half of public and service areas are equipped with sprinklers.

The findings, according to Thomas Daly, AH&MA chairman of the safety and fire protection committee, reveal that today's guests in lodging establishments are "safer than ever from the threat of fire."

SHRINKAGE

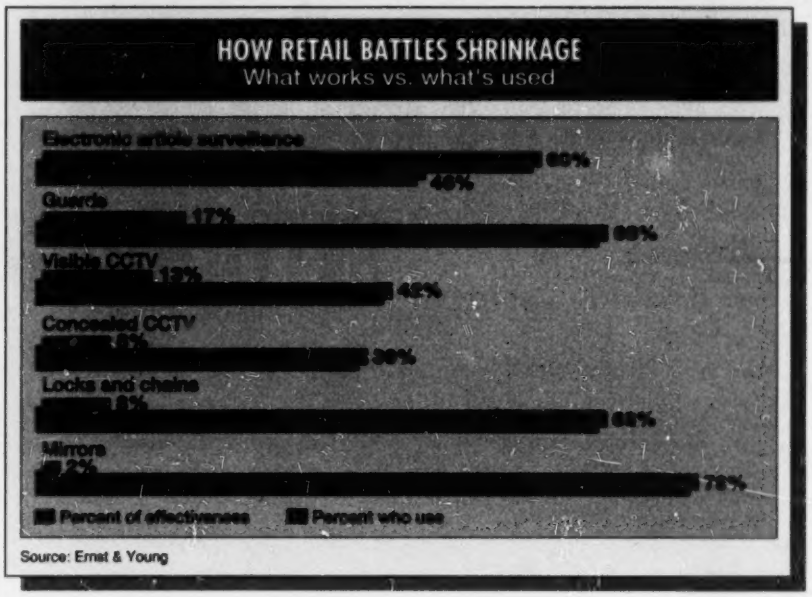
## EAS Effectiveness Varies With Industry and Thief

Retailers most frequently use low-tech devices to deter theft — yet electronic article surveillance (EAS) is overwhelmingly cited as the most effective anti-theft device. So says an Ernst & Young study on security and shrinkage conducted with 176 mass merchants.

High EAS start-up costs prevent many retailers from investing in the technology. Other reasons why actual EAS use trails effectiveness are dictated by each industry.

Hal Marsolais, managing director of the National Retail Hardware Association and executive director of the Home Center Institute, Indianapolis, says the hardlines industry deliberately continues to depend on less costly measures to combat shrinkage.

"We don't rule out the fact that EAS is a major theft deterrant," Marsolais tells SECURITY. "Its usefulness, however, is dictated store-by-store and market-by-market. In the hardlines industry, a noticeable staff, mirrors and operational measures such as displaying tools behind plexiglass help reduce theft."




**Electronic article surveillance reaps the highest overall effectiveness rating against shrinkage. High start-up costs and limited appeal prevent more widespread use.**

In its Electronic Article Surveillance Industry Report, the Home Center Institute says that while EAS is 75 percent effective against theft by daily customers — who also happen to be the most frequent shoplifters — it only deters "social misfits" from theft 15 percent of the time and professional shoplifters 10 percent of the time.

When selecting an EAS system, retailers look for aesthetics and integration with price tags.

HALLCREST REPORT II

## Hallcrest: Fencing Leads 1990 Equipment Revenues

Security fencing, largely a low-technology product category, leads all security equipment categories in revenue for 1990. This is one of many conclusions drawn by the **Hallcrest Report II**, the most recent, large-scale study of private security.

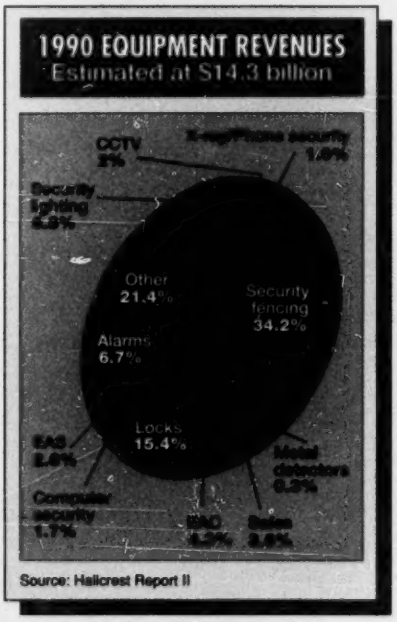
Conducted by Hallcrest Systems Inc., McLean, Va., under a grant from the U.S. Department of Justice, the benchmark study looks at crime and security resources; the changing relationship of security and police; security personnel and issues; protective services and products; and influential trends.

The second largest spending category is locks, while security lighting, alarms, electronic access control and safes trail.

The biggest growth areas from 1990 to 2000, according to William C. Cunningham, project director, will be security equipment, alarm services and consultants/engineers.

The bulk of security spending for equipment currently targets property protection. Systems that do more, have built-in intelligence and connect to other organizational systems will increase in attractiveness.

SECURITY begins a year-long series of exclusive reports based upon **Hallcrest Report II** with a cover article in this issue.




**The Hallcrest Report II says fencing will lead 1990 equipment revenues.**

NEWS

## Security Wrap-Up: Campus Crime, Biometrics

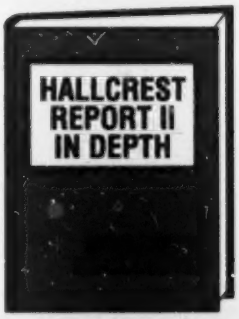
▶ The House of Representatives has approved legislation that requires colleges to report campus crimes. House bill 1454 requires schools to collect and disclose data about crime on campus and to inform victims of crime about disciplinary proceedings taken against alleged perpetrators.

▶ *Personal Identification News'* Fifth Annual Subscriber Survey shows that the majority of respondents agree that the United States' biometrics and smart card industries are poised for steady growth. The majority of respondents do not think that most corporate computer users will use only passwords for access in 1995. Respondents also do not expect a national ID by 2000.

▶ Marital and family problems more strongly affect employee productivity than do alcohol or drug abuse, says a survey sponsored by the American Psychological Association. Among small business managers surveyed, 57 percent say productivity suffers as a result of employees' family problems, while 33 percent report loss of productivity due to substance abuse.

SPECIAL REPORT

# WHAT'S HAPPENING TO SECURITY?




***As threats spread, private security enters a new "make-or-break" era. Traditional security, at risk, must prepare for new challenges.***

***By Bill Zalud***
***Editor***

During the 1980s, private security experienced its greatest growth ever.

Yet even in the face of such headway, business crime — and its cost — grew faster. For this and other reasons, organizations with a security function are in the midst of a bench mark stage of evolution. Already picking up steam, changes in the 1990s will diminish in-house staffs, redistribute security decision making inside and outside, and increase reliance upon equipment and contract services.

These and other issues are carefully detailed in *The Hallcrest Report II — Private Security Trends: 1970 to the Year 2000.* Conducted by Hallcrest Systems Inc., McLean, Va., under a research grant from the National Institute of Justice (NIJ), U.S. Department of Justice, the report provides a comprehensive study of security trends to the 21st Century. The complete report is available from Butterworths Publishers, Stoneham, Mass.

The landmark report looks at crime and security resources; the changing relationship of security and police; security personnel and issues; protective services and products; and influential trends.

This is the second time the NIJ has tapped Hallcrest Systems to research the state of private security. In the early 1980s, Hallcrest first conducted large-scale research on the nature and scope of private security and its interaction with law enforcement. A 425-page document, *The Hallcrest Report: Private Security and Police in America*, was published in 1985.

SECURITY begins a year-long, exclusive series of in-depth articles on *Hallcrest Report II* with this interview of the study's project director William C. Cunningham, president, Hallcrest Systems Inc.

***While it's hard to measure, what is your estimate of the current cost of business crime?***

Unfortunately, we see strong, continued growth. Economic or business crime continues to grow dramatically, especially more rapidly in relation to general and street crime. It is hard to get a handle on the extent of the problem.

The Hallcrest staff looked at every credible source and type of crime. But no one has precise figures.

This lack of solid reporting of losses

**SECURITY's In-Depth Coverage**

The *Hallcrest Report II — Private Security Trends: 1970 to the Year 2000* provides a provocative overview. This interview with Project Director William Cunningham kicks off SECURITY's extensive coverage. Other articles spotlight John Strauchs, CPP, and Clifford Van Meter, who share *Hallcrest* duties. The report is available in hardcover from Butterworths Publishers, 80 Montvale Ave., Stoneham, Mass. 02180, or telephone (800) 366-2665.

leads to an important *Report* recommendation. We need to standardize and coordinate the tally. The business sector, in collaboration with the government, should set classifications, standards and reporting mechanisms for economic crimes.

Studies in the 1970s by the U.S. Chamber of Commerce, Congress and the American Management Associations all reached a consensus: at that time, business crime cost $40 billion or more a year.

Our projections based upon those studies peg the cost of crime against business at about $67 billion in 1980 and $114 billion in 1990. At its current rate, business and economic crime will cost the U.S. economy $200 billion by the year 2000.

Whatever the total, the effect is clear: Economic crime is not an inflationary factor; it is inflation. Several estimates tag economic crime as the reason for 20 to 30 percent of small business failures. We do not now have the measurements for business crime as we have for street crime and uniform crime statistics compiled by the FBI. But we need it.

***Business and economic crime is growing rapidly. But in what directions?***

There are several places of visible emphasis. One is drug trafficking and drug use in corporate America. Business offices and factory floors may be the last uninterrupted avenue of drug trafficking in our country. And behind the corporate door there's nothing but security to recognize the problem and take action. Drugs are feeding other types of crime such as management fraud, shoplifting and employee pilferaging.

Another visible area of growth is computer-related crimes. Today, it is more costly and it happens more frequently than in the 1980s. Yet here, more than some other target areas, safeguards being developed are impressive. If safeguards are used properly and people trained adequately, computer crime will be more difficult to pull off.

Of course, frauds of all types are increasing. Employee theft remains high — no one said there's less. However, the frequency and cost of certain identified crimes now outpace others.

***Tangible assets lost to business crime provide only part of the picture. What are the indirect costs of business/economic crime?***

It's even harder to arrive at indirect costs. Yet the impact of these costs plays out in reduced profits and increased cost of insurance, security and internal controls.

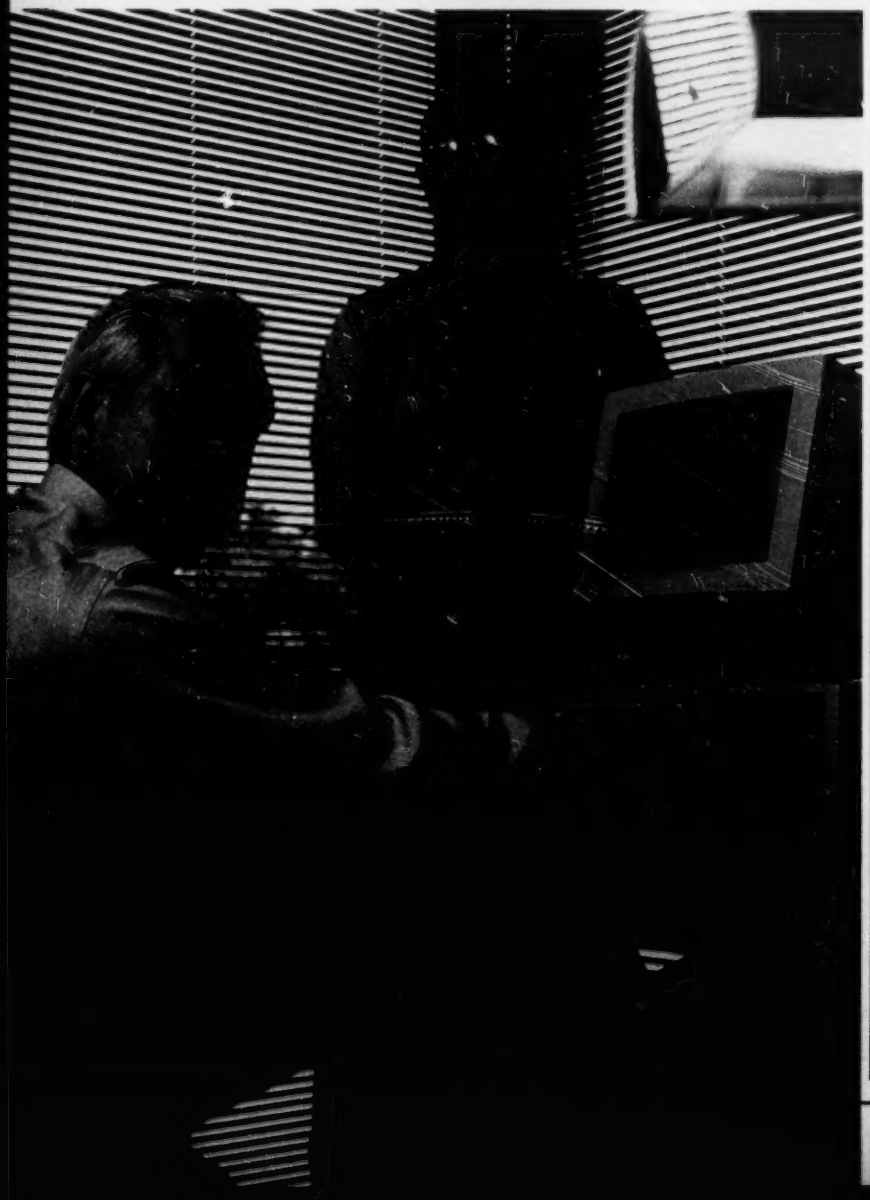
**Business crime now costs $114 billion, a projected $200 billion by 2000.**

There's also the increased overhead due to theft. When something is stolen, someone often has to reorder, restock, reship, reshelve or redo the whole costly process.

There's the cost to government — passed on to business and the public — including investigations and prosecutions, correctional programs and loss of tax revenue through lost sales tax, untaxed income and tax deductions to businesses sustaining losses.

The public suffers through increased cost of consumer goods and services, reduced employment due to business failure and loss of investor equity.

The biggest indirect cost is liability and today's litigation explosion. Awards and out-of-court settlements cost big money. Through the 1990s, the awards will go higher. The litigation



**The Hallcrest Report II authors, John Strauchs, William Cunningham and Cliff Van Meter, studied private security, its present state and future growth through the year 2000.**

may lead, however, to meaningful research into the effectiveness of security measures — what works and what doesn't work. What may develop are standards to contain claims of inadequate security.

***What is the size of private security in dollars spent and people employed, and where is growth going?***

In 1990, there are about 1½ million people in private security. Of that total, about 1 million are in contract security and about 500,000 in proprietary.

Growth in proprietary security has stabilized and will slow, by the year 2000, to show a 2 percent drop. Organizations will increase their security efforts through more contract employees, products and services. Contract security employee growth will almost double the projected national workforce growth in the 1990s.

In proprietary security, 74 percent of employees are officers, a drop of 3 percent compared to 1982. About 18 percent of employees are managers and staff support — up 5 percent.

About $52 billion will be spent in private security this year. Of that amount, $14 billion will be in proprietary while $38 billion will be for contract security services and equipment. Within the contract area only, $26 billion will go for services while $12 billion for equipment.

Strong performers include security consultants and engineers, equipment and alarms — all with 12 percent annual growth.

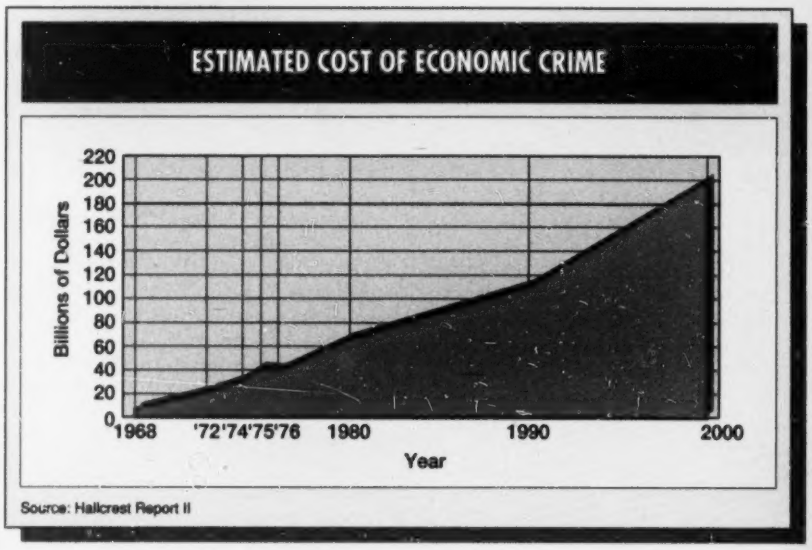
***With declining proprietary security, downsizing organizations and strong growth in equipment and services, doesn't this squeeze out the traditional security director?***

Yes. There's a distinct possibility that products as well as technical, support and consultant services will move outside. Yet someone internally will have to broker this array of protective services and equipment options.

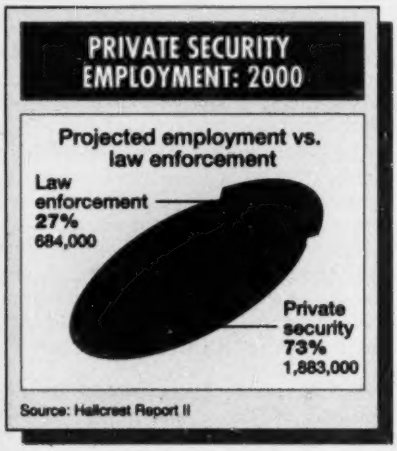
What is emerging is a different breed of security decision maker. Corporate functions are being consolidated. More facility managers now are responsible for security, not only at one location, but company-wide. There's more linkage among risk management, security, safety, legal, human resources and internal audit.

There are a lot of security decision makers that are not in the mainstream, not ASIS members. There will be more.

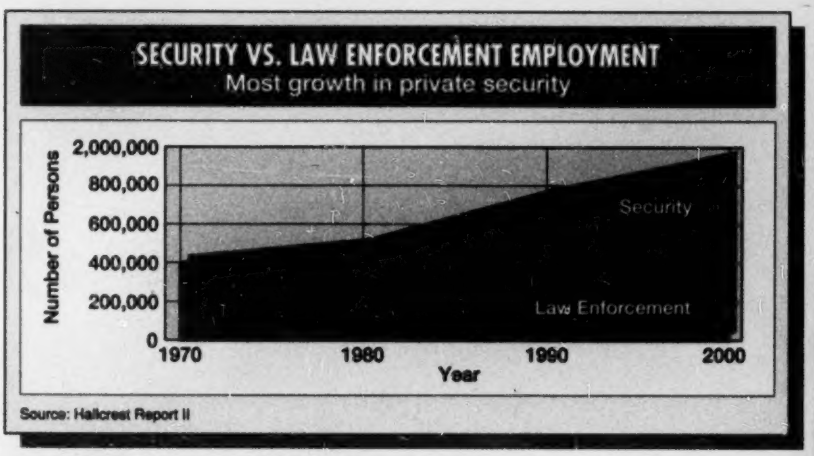
We continue to play out a trend. In the past, corporate security managers largely came from law enforcement and military backgrounds. In the mid-1980s and beyond, many companies were less inclined toward security leadership




**There is a sharp increase in the cost of economic crime, especially since the mid-1970s. The indirect costs also have increased.**

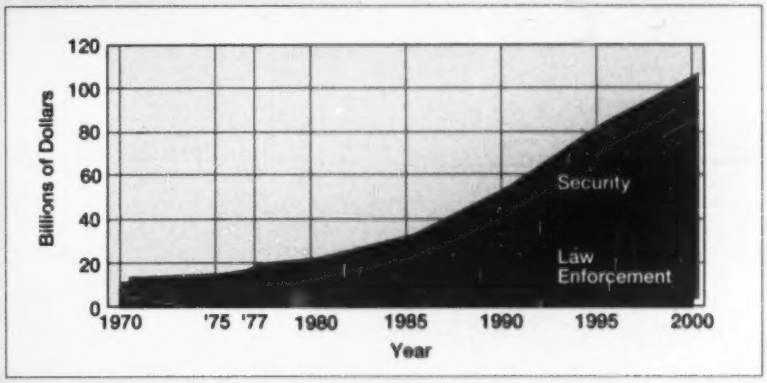

PRIVATE SECURITY EMPLOYMENT: 2000
Projected employment vs. law enforcement
Law enforcement 27% 684,000
Private security 73% 1,883,000
Source: Hallcrest Report II

**By 2000, private security employees will outnumber law enforcement.**




**Fast growth in private security compares to slow growth in law enforcement. Business now solves more problems itself.**

## SECURITY VS. LAW ENFORCEMENT SPENDING




Source: Hallcrest Report II

**Spending in private security has outpaced law enforcement since 1977. Privatization may accelarate the trend by shifting some resources.**

with this type background. Employers put less emphasis in reactive functions such as managing guards and investigating crimes. They wanted security to design proactive programs and controls to prevent losses.

More often today, mainstream business people are tapped for security. Many previously worked in internal audit, facilities management, risk management, accounting, legal and human resources.

In addition, there has been some management-level trade-off to outside resources — security engineers and consultants for strategic planning, designing security awareness programs, conducting risk assessment programs. We see a small though growing number of companies using these outside services instead of inside management.

These changes leave some security directors and managers in a bit of trouble. No matter how it finally plays out, it's obvious there will be more career opportunities for people who can manage technology, understand economic crimes and function effectively in business environments.

***Officers are the bulk of security employment. Is there a commitment to increasing the quality, training and compensation of security officers?***

We are moving too slowly in that direction. The *Hallcrest Report II* documents — in limited samplings — that the negative stereotype of operational security personnel is giving way to younger, better educated people, with more women and minorities. Demographically, private security officers are closing the gap when compared to law enforcement — except for compensation where security makes 40 to 50 percent less.

But there is slow improvement of private security officers. There is slight improvement in compensation and dramatic improvement in educational opportunities thanks to certificate, associate and degree programs. However, there is no noticeable improvement in pre-service levels of training. Generally, we aren't making a lot of improvement in overall quality.

By the way, I don't compare private security officers to law enforcement. They are two separate categories with two separate purposes, and both usually perform different tasks.

***Is government regulation helping? Is there a chance the federal government will step in to regulate the industry?***

A role for the federal government? It's unrealistic and won't happen. It's a state functior Most responsible security people support state-level regulation but abhor local regulation

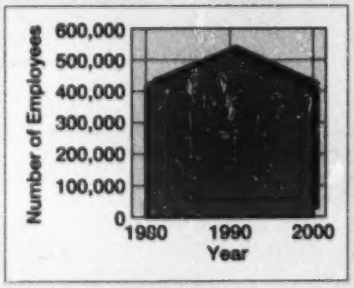
## PRIVATE SECURITY EMPLOYEES
Number of employees in the field

| Year | Contract Service and Manufacturing Employees | Average Annual Growth Rate | Proprietary Security Organization Employees | Average Annual Growth Rate | Total | Total Average Annual Growth Rate |
|---|---|---|---|---|---|---|
| 1980 | 556,000 | N/A | 420,000 | N/A | 976,000 | N/A |
| 1990 | 965,000 | 6% | 528,000 | 2% | 1,493,000 | 4% |
| 2000 | 1,473,000 | 4% | 410,000 | -2% | 1,883,000 | 2% |

Source: Hallcrest Report II

**Overall growth will slow in the next ten years due, in part, to slowing of in-house growth.**

## PROPRIETARY SECURITY EMPLOYEES




Source: Hallcrest Report II

**There's a projected decline in proprietary security through 2000.**

## 1990 EXPENDITURES
Estimated $51.6 Billion

Source: Hallcrest Report II

**Equipment, in-house overhead and contract officers will grab more.**

## GROSS ANNUAL REVENUES/EXPENDITURES
For private security field

| Year | Private Security Revenues (Services & Equipment) | Average Annual Growth Rate | Proprietary Security Organization Operating Costs | Average Annual Growth Rate | Total | Total Average Annual Growth Rate |
|---|---|---|---|---|---|---|
| 1980 | $13,000,000,000 | N/A | $6,250,000,000 | N/A | $19,250,000,000 | N/A |
| 1990 | $38,000,000,000 | 11% | $13,600,000,000 | 8% | $51,600,000,000 | 10% |
| 2000 | $88,000,000,000 | 9% | $16,000,000,000 | 2% | $104,000,000,000 | 7% |

Source: Hallcrest Report II

**There's projected slowing of spending during the 1990s, especially in proprietary costs, in relation to other categories.**

as redundant and a nuance.

Most states regulate some aspect of private security. What the Private Security Task Force said 15 years ago is appropriate today. About licensing and regulations, they found "some good, some of limited value, most lacking uniformity and comprehensiveness."

Generally, our study confirms this observation. Most people believe state licensing and regulation does not assure good security personnel and sound business practices. But most also see the need for government regulation anyway.

Lacking any strong security industry regulation, there's no alternative but state regulation.

***Monitored services have interesting growth potential. Where do you see the alarm industry today? And what does it look like by the year 2000?***

There's solid growth. Several Hallcrest sources say that as much as 10 percent of residential properties have alarm systems. There's evidence that residential installations may double — then stagnate — in the next eight to 10 years. If the Baby Bells get in, there could be an explosion, triggered by sharp price decreases.

There are also indications that com-

## About the Hallcrest Authors

*William C. Cunningham*

**William C. Cunningham is president of Hallcrest Systems Inc., a research and consulting firm that provides a broad range of management and technical assistance to criminal justice, public safety and corporate clients. Cunningham was co-author of the first study — the *Hallcrest Report: Private Security and Police in America.***

*John J. Strauchs, CPP*

**John J. Strauchs, CPP, is president of Systech Group Inc., Reston, Va., which provides security consulting, specializing in the development of contract/construction documents in loss prevention. Strauchs helped pioneer the concept of security engineering and encourages organizations to build security into facilities.**

*Clifford W. Van Meter*

**Clifford W. Van Meter is director of the Police Training Institute, University of Illinois, Champaign. Van Meter was part of the first Hallcrest study and, earlier, was executive director of the Private Security Task Force. A respected author, he also chaired the Department of Law Enforcement Administration at Western Illinois University, Macomb.**

mercial monitoring is currently at near saturation. Those businesses that want, got.

But there is a looming monitoring problem: false alarm response. It's a massive waste of public funds when fire and police agencies must respond to the current level of false alarms. An estimated 97 to 99 percent of all alarms are false!

The false alarm problem gives law enforcement a negative image that inhibits further cooperation with private security.

***Is private security moving to more automated protection, trading people for systems?***

Yes. There will be more automated systems doing things better than before. We aren't convinced they'll replace the human element. Automated, technically sophisticated, monitored systems need a human being to decide upon the type of response. By the way, the earlier Hallcrest study predicted greater security use of robotics than has occurred. Trending is intelligent guesswork, which reminds me of the old saying: He who lives by the crystal ball must learn to eat ground glass sometimes.

***Is America moving to more use of private security over public law enforcement? What are the ramifications?***

Federal, state and local government, in general, is turning more to privatization than ever before The evolution is most apparent in non-crime areas. In terms of public law enforcement and corrections, the pace of change is very slow.

Turf issues still need resolution. There's growing interest. Research shows that more than 80 percent of police activities are non-crime related. Law enforcement has two strategies: transfer some responsibilities to the private sector and contract with private security for some non-crime police support functions.

***At the same time, some segments of private security are asking for and receiving limited police power — isolated events or a trend?***

There will be more. We estimate that about 25 percent of security personnel have some form of limited authority granted by government. If more responsibility is shifted to private security as indicated, we believe more will receive limited police powers to perform duties.

This, however, doesn't mean there will be more armed security personnel. Armed security will continue to drop to about 10 percent in 1990 and to 5 percent by 2000.

***More in a de facto manner, American business seems to be moving toward a private justice system. Your thoughts on business use of internal mechanisms over its traditional reliance upon the public criminal justice system.***

For some time, much of the economic crime inflicted upon business has been resolved privately. Let's face it: If all the crimes against business were dumped into the public criminal justice system, it would collapse in a day. There's so much economic crime.

But there still is little known about the extent, effectiveness or fairness of private justice. Moreover, there are reasons the business community frequently wishes to resolve crimes internally and quietly. They do not have confidence in the public criminal justice system — it's too slow, too cumbersome and exposes sins publicly. Using the public criminal justice system opens business up to many rules and disclosures. Juries can be unsympathetic to business crime.

The kinds of sanctions that business uses — restitution, suspension and firings — all are common, but there's no assessment of how much is settled or settled fairly.

We need to both determine the amount of unreported crime and assess the deterrent value of private justice. □

## SECURITY COMPANY EMPLOYEES

Employees working in security service and manufacturing firms

| Segment | Employees in 1980 | Percent of Total 1980 | Employees in 1990 | Percent of Total 1990 | Average Annual Growth Rate 1980-1990 | Employees in 2000 | Percent of Total 2000 | Average Annual Growth Rate 1990-2000 |
|---|---|---|---|---|---|---|---|---|
| Armored Car | 11,500 | 2% | 15,000 | 2% | 3% | 16,500 | 1% | 1% |
| Alarm Companies | 55,000 | 10% | 120,000 | 12% | 8% | 250,000 | 17% | 8% |
| Contract Guards | 330,000 | 59% | 520,000 | 54% | 5% | 750,000 | 51% | 4% |
| Private investigators | 45,000 | 8% | 70,000 | 7% | 4% | 90,000 | 6% | 2% |
| Consultants | 1,200 | .2% | 2,900 | .3% | 9% | 6,200 | .4% | 8% |
| Locksmiths | 45,000 | 8% | 69,600 | 7% | 4% | 88,000 | 6% | 2% |
| Manfacturers & Distributors | 55,000 | 10% | 88,300 | 9% | 5% | 132,000 | 9% | 4% |
| Others | 13,500 | 2% | 79,500 | 8% | 19% | 140,000 | 10% | 6% |
| TOTAL | 556,200 | | 965,300 | | 7% | 1,472,000 | | 5% |

Source: Hallcrest Report II

**While guards have most employment, alarm company and consultants/engineers outpace average growth in terms of employees.**

By far, computer and communication technology are the dominant forces in security equipment. Microprocessors, sophisticated software and graphic-based displays aim at improving gear. Better, faster, more diverse communication — beyond twisted pair and coax — target instant transmission and lower error rate.

"Change is speeding up too. Look at how long it took to go from tubes to semiconductors — and then bang," says Manuel Pires, president, Morse Watchmans Inc., Waterbury, Conn.

Today's bang: networked intelligence. Stand-alone systems are peaking. "Multi-user, true distributed processing is ascending," says Jim Spencer, vice president of marketing, Casi-Rusco, Boca Raton, Fla.

Against the wind is CCTV technology, where "improvements are almost totally dependent upon the CCD chip, consumer electronics and Japan," observes Dr. Richard Groves, president, Navco Security Systems, Anaheim, Calif.

In the long run, everything will be connected; most everything will be digital and possess intelligence. In fact, much of the new technology is old. New technology typically catches on only after prices fall.

"The key is getting more for less," says Tom Nicolette, president, Knogo North America, Hauppauge, N.Y. The bottom line: more gear; fewer people; quicker, more accurate information.

# The Temptation of Technology

***Advances in technology revolutionize security. But at what cost?***

## ■ Entertainment Industry Pushes CCTV Technology; Connections Gain

"The camera side is driven by the consumer camcorder business," relates John Schulte, vice president of marketing and sales, Javelin Electronics Inc., Torrance, Calif. The ½-inch chip, solid state and more color are indicators

Video switching, alarm response and camera control are merging. Matrix switching and better programming handle more and do it more easily.

Quads are big. "And multiplexing and multi-video recording are hot," says Schulte.

The color barriers, beyond price, are falling. "In the past, switchers could not pass color. Now many are color compatible. Time lapse recorders are color compatible; there are color video printers. And newer color cameras are more light sensitive," says Schulte.

There are now a variety of modes of transmission. "Fiber optics is the wave of the future," Schulte contends. "New construction now goes in with dark fiber. The architects know that fiber will be turned on one day."

Intensified CCD cameras will replace SIT and ISIT. Wireless CCTV, according to the experts, has inherent FCC limitations, while microwave "is somewhat successful but limited," adds Schulte.

## ■ Reliability, Ease of Use Spur Testing Service Improvements

Today, testing can refer to everything from pre-employment honesty tests to random urine tests for drugs.

Technology plays a big part in ease of use and reliability.

"People answer more truthfully to a computer than to a person," says Richard J. Phannenstill, CPP, developer of Computerized Employment Applications, Milwaukee.

Joe Orban, director of customized services, London House, Park Ridge, Ill., says that overall, technology "re-

## *Analysis Calls for Computer Help*

quires companies to consider more details of the screening process." Companies are also having to do more with the raw information. Says Bob Campbell, Reid Psychological Systems' executive vice president of information management, Chicago, "Companies will begin to do their own statistical analysis to figure out trends."

On the drug testing end, top-notch labs have gas chromatography/mass spectroscopy (GC/MS) equipment.

Just emerging from law enforcement is hair analysis. It uses a more time-consuming process and different, expensive equipment. It's slowly catching on because it is less intrusive. But it must overcome established urine analysis, already institutionalized by government certification.

### Buck Rogers and the Paperless Office

Miniature lenses at the end of a fiber optic cable view the office entrance.

Automated, voice-activated access control personally welcomes you to work, opens the door and turns on the electricity and computer connection in your work pod.

You sit down, pick up your pen-like stylus and write on a flat screen that enters and processes work into the company's networked system.

Welcome to tomorrow-land, security style. There's only one system — it's called the office, and it's paperless. Some of tomorrow is already here today.

At the new Los Colinas, Texas, monitoring facility of Westinghouse Security Systems, there is a seamless, paperless office.

"Our aim is to be the lowest cost provider of the highest quality service," says Peder Kolind, president and chief executive officer, Westinghouse Security Systems. "One way to achieve that goal is to have a paperless office so we can handle 1,000 new installations a day. The paperless office allows us to more effectively handle work and smoothly connect with others. Nothing is lost."

Another Buck Rogers innovation is adaptive learning. "There will be more embedding of decision making and learning skills into systems," points out Jim Spencer, vice president of marketing, Casi-Rusco.

Other cutting edge developments include voice recognition, already seen in biometrics; artificial intelligence; and multimedia for alarm display and training.

**Peter Kolind (seated), president and CEO, Westinghouse Security Systems, believes a paperless office will increase productivity.**

## ■ Automation Influences Guard Service Offerings and Personnel

Robo-security is approaching.

Guard tour equipment now tracks officers and response. Some are self-contained time capsules — when hooked to a computer and printer, tour systems audit performance for liability and personnel needs.

**Technology plays a big part in ease of use and reliability.**

Changing applications are no problem. Downloading — a hot item everywhere — makes change fast and simple. Says Pires of Morse Watchmans, "Our customers tell us what they want, and we program over the telephone."

Analysis, from on-tour decision making to human resources planning, calls for computer help.

Guard tour systems and operations analysis are bridges to personalized computers for officers, networked to supervision and on-line assistance.

Other, typical security technology — CCTV, electronic access control and integration — impacts officers. Here is where advances augment or even replace people with machines that observe, identify, check in and out and welcome visitors with a digital voice if not a human smile.

## ■ Badges to Cards to Biometric ID: Identification Gets Personal

True or false: Worldwide, there are more ID cards than credit cards.

If you say "true," you agree with Ken Quinn, vice president, Datacode Systems, Cleveland. "More countries and businesses require citizens to possess some form of identification," he says.

## *Changing Applications Are No Problem*

### Rise Above Technology's Downside

**Hallcrest Report II** projects that security will spend $14.3 billion on equipment before the year is over. But is security's 1990 technology tab really dollars well spent?

Ira Somerson, CPP, president, Loss Management Consultants, Plymouth Meeting, Pa., says the proliferation of security technology masks the "real" challenges.

"Security is a people problem and it always will be," says Somerson. "Sometimes technology should be part of a protective scene, but it obscures what security's about — managing people and the corporate culture and protecting assets.

Somerson says that if employees are going to accept technology, they must own its design. He suggests that an employee task force — rather than security decision makers — design systems.

Employees and visitors are often intimidated when they're expected to use or comply with new security technology or procedures. A little research by the security decision maker goes a long way toward implementing smart purchases.

"There may be a difference between what you'd like to buy and what employees will tolerate," says Barbara Zech, corporate security awareness coordinator, Texas Instruments, Dallas. "It's security's business to take a customer service approach and fit the technology to the facility and people. The more user friendly the technology is, the more apt people are to use it."

Decision makers who buy sophisticated equipment with the sole intention of saving money may be disappointed, however.

Tom Roemer, CPP, security consultant, Buffalo Grove, Ill., says, "You end up paying higher salaries for existing employees who can operate today's sophisticated equipment."

Security badges hark back to the early 1950s. Recent advances in badging center on new materials and inking that enforces temporary use cards — making them void after a set period of time.

Magnetic stripe cards and Polaroid's first ID system — which took color photos — emerged in the late 1960s. Proximity cards, for hands-free convenience, followed in the 1970s. The latest: dual tech cards which combine proximity and bar codes or magnetic stripes. Soon to emerge: photobonding, which creates a picture on a perfectly smooth card, and greater use of holography.

Smart card and biometric technologies are emerging more slowly. High cost and intrusion operation will slow down development and use.

CCTV has identification uses. Video ID, already intensely competitive, boasts improved operation and unlimited digital storage.

## ■ Buyers' Market Advancements in Electronic Access Control

Distributed intelligence, flexible platforms, graphic interfaces, smooth integration. Today's technology points to a move away from the stand-alone nature of these systems.

And "technology is, after centuries, finally starting to replace mechanical locks," adds David Schuldt, president, Casi-Rusco.

Yet hardware, software, readers and cards — sold by scores of companies, some that manufacture — will result in a buyers' market, according to Tom Cook, communications manager, Mosler, Hamilton, Ohio.

"The survivors will invent unique, cheaper products, and users will benefit from the competition," Cook says.

**Everything will be connected and digital.**

There's also a redefining of the industry, according to Kirk Georgia, senior product manager, Casi Rusco. "Industries such as electronic article surveillance — a retail application looking outward — are merging with security vendors as the lines blur."

Access control also increasingly integrates as software grows more sophisticated. Look for icons and alarm graphics programmed into systems. "This technology complements the changing labor force," points out Schuldt.

"Technology will make networking, distributed processing and higher level interface with CCTV, energy control and other systems more affordable and much easier to accomplish," says Tony Wilson, senior marketing communications specialist, Cardkey Systems, Simi Valley, Calif.

## ■ Internal, External Communications Diversify for Flexibility and Power

Security's communications needs are evolving, and so is use of communications equipment.

Two-way and trunked radio were the only portable ballgame until several years ago, when cellular found a new niche. SECURITY's Data Bank shows that 60 percent of security decision makers use cellular. In addition to verbal communication, cellular is also used for fixed purposes such as alarm signaling. It provides backup and primary communications in some situations.

Despite its appeal, cellular shares the communications spotlight with tried and true two-way radios. A healthy 95 percent of security departments — including 73 percent which also use cellular — continue to employ two-way radios. Two-way radio manufacturers have secured faithful followings by streamlining their radios and equipping them with privacy features and DTMF keypads, which allow users to dial telephone numbers.

Internal communications are facilitated with intercom systems. Wireless systems and intercoms equipped with video monitors are among the latest products in this line. Audio will blend into the emerging integrated system as improvements continue.

# *Change is Speeding Up*

## Muscle and Brains Combine for Greater Intrusion Protection

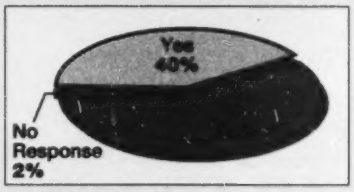
Outdoor protection works to keep intruders outside a facility's perimeter.

The latest fences provide subtle, yet high security. One features an arch that causes climbers to fall off the fence. Hydraulically-powered underground barricades protect facilities from vehicle terrorist assaults.

Facilities use various combinations of audio and glassbreak detectors, photoelectric beams, motion detectors, PIRs and dual technology sensors to detect intruders.

Alan Colson, product manager, Sentrol, Portland, Ore., says, "Manufacturers need to commit to research, development, testing real applications and reliability to move toward smarter sensors."

**TECHNOLOGY VS. MANPOWER**
More Equipment, Less Staff?




Source: SECURITY

**In the last year, 40 percent of security operations report increased reliance on equipment over human resources.**

**TECHNOLOGY COMMITMENT**
By Type of Business

| | |
|---|---|
| **Average** | **40%** |
| Industrial | 62% |
| Financial | 56% |
| Government | 29% |
| Retail | 17% |
| Institutions | 13% |

Source: SECURITY

**Industrial and financial security increased their reliance on technology most often.**

DATA SECURITY BANK

**NEW TECHNOLOGY TAKES HOLD**

| | Use in 1989 | Use in 1988 |
|---|---|---|
| Solid state CCTV | 41.8% | 21.3% |
| Drug testing | 32.4% | 20.6% |
| PC security | 27.6% | 19.9% |
| Quads | 24.4% | 12.5% |
| Dual technology | 23.6% | 9.6% |
| Remote access control | 21.8% | 11.8% |
| Wireless | 21.3% | 8.8% |
| Proximity | 15.6% | 7.4% |
| Video motion detection | 14.2% | 7.4% |
| Motion-sensing lights | 13.8% | 5.9% |
| Fiber optics | 12.9% | 9.6% |
| Color CCTV | 10.7% | 8.8% |
| Slow scan | 10.7% | 5.1% |
| Encryption | 10.2% | 5.1% |
| Long-range radio | 7.6% | 3.7% |
| Derived | 7.6% | 3.7% |
| Downloading | 6.2% | 5.9% |
| Biometrics | 4.4% | 4.4% |

Source: SECURITY

**Emerging technology is accepted slowly. Security often waits for reliability to increase and prices to fall. Total equals more than 100% due to multiple answers.**

## Monitoring Scores With More Services, Automation

The aim of improvement in alarm monitoring is more connections, fewer false alarms, more automation and especially "more creative services," says Craig Leiser, vice president of marketing and dealer operations, The National Guardian Co., Greenwich, Conn.

The pot at the end of current modernization is attractive. "If done right, we'll be the hub of security, information handling and control for business and industry," contends Brian McCarthy, vice president of marketing and product supply, ADT Inc., Parsippany, N.Y.

User site equipment is gearing up with store and forward capability, multiplexing and piggybacking of signal types. It helps both ends. "There's also derived channel, backup and redundancy with cellular telephone," adds Leiser.

Monitoring services are now expanding their capabilities through computer and communication enhancements. The new generation will be "a big pipeline for serious analysis with intelligent equipment linked to intelligent networks," says McCarthy.

## Combining Security, Facilities and Management Needs

"We're after the same end — fully integrated systems that comprise security, facilities and management," admits Javelin's Schulte. Right now, installed technology is largely stand-alone or interfaced. "Diverse equipment and systems talk to each other but most need separate control panels.

"Everything is merging based upon an operating platform and emerging protocols," says Casi-Rusco's Schuldt. "With sophisticated software at the heart" adds James R. Vinson, director of marketing, Northern Computers, Milwaukee.

For the small-to midium-sized user, integrated systems can pass dividends by merging separate security control systems into one. □

*Compiled by Brenda Moss, Staff Editor; Bill Zalud, Editor; and Rebecca Russell, Senior Editor*

**FIRE PROTECTION: Trends, Tips, Codes, Products p. 49**

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# SECURITY

THE MAGAZINE FOR SECURITY MANAGEMENT

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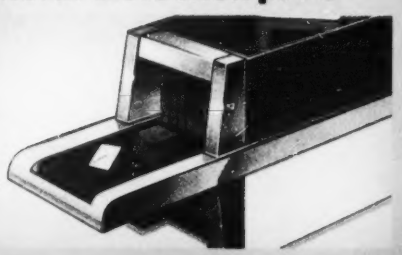

**Steve Garrison**
Security Supervisor
Atlas Gold Mining Inc.

# SECURITY T.M.

*THE MAGAZINE FOR SECURITY DECISION MAKERS*

A CAHNERS PUBLICATION/VOLUME 27, NUMBER 10/OCTOBER 1990


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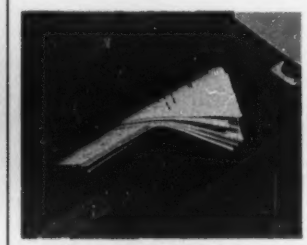

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# SECURITY INDICATORS

*Trends and forecasts for determining loss prevention needs.*

MARKET REVENUES

## 1993 Revenue Projection: Guard Services, Locks, Fire Protection Retain Market Grip

The U.S. commercial and industrial security market — estimated at $11.17 billion for 1989 — will reach $13.86 billion by 1993, says a study from Frost & Sullivan Inc., New York.

"The U.S. Commercial/Industrial Security Equipment and Services Market" finds private guard and investigative services comprise the largest overall dollar category with more than $5 billion in 1989 revenues and a projected $5.47 billion for 1993. Central station service revenues will mount quickly, reaching $1.9 billion by 1993, the survey says.

Dennis Corban, project director for Frost & Sullivan, says optimistic service projections reflect security's steady reliance on human resources.

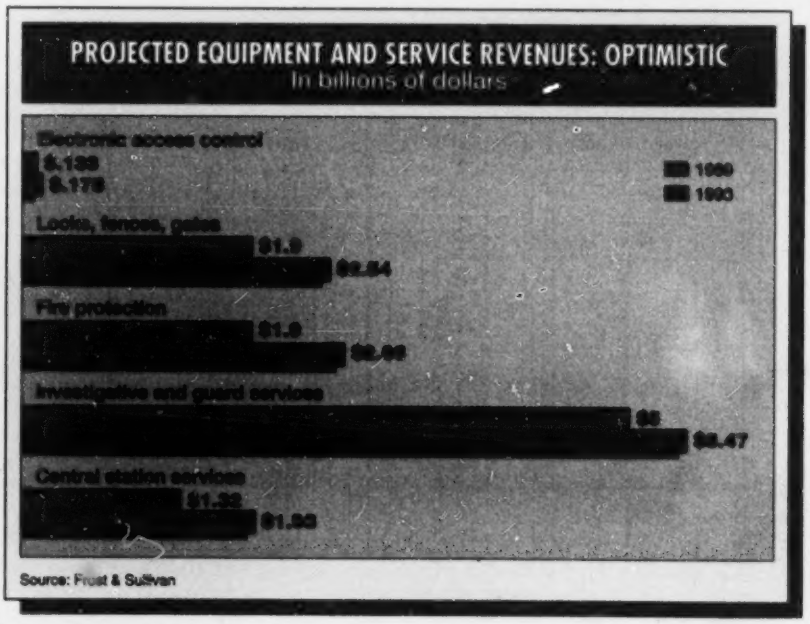
"Technology at its highest level can't replace an intelligent on-site assesser," Corban tells SECURITY. He attributes service companies' top revenues to the higher salaries that increasingly professional officers command.

Of the equipment categories, fire protection and non-electronic access control — including locks and keys, combination locks, and fences and gates —are the top sellers.

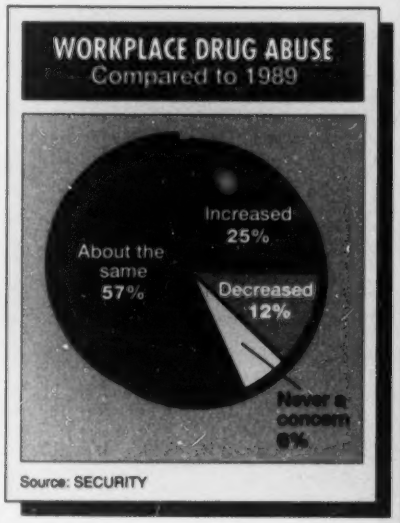
Projections for non-electronic access control products far exceed the outlook for electronic counterparts. Corban links the higher non-electronic revenues to a more stable price structure.

"The decreasing price of electronic technology — not a shrinking market — accounts for lower revenues," Corban says. "Stable sales and stable prices keep revenues up for fences and locks."

End users who spent the most on equipment and services in 1989 — commercial banks, manufacturers and the government — will continue to purchase the most equipment and services in 1993, the survey projects.




**Investigative and guard services reap the highest revenues in the overall security market. Locks, fences, gates and fire protection lead in equipment revenues.**




**Evidence of drug use among employees has shifted moderately since last year.**

DRUGS

## Security: Workplace Drug Concerns Stabilize

Drug abuse among employees remains a concern for most security decision makers, says SECURITY's Third Quarterly Telephone Survey.

Evidence of drug and alcohol use among employees is about the same as it was last year for 57 percent of respondents. Another 25 percent cite an increase in employee drug use, 12 percent a decrease. Workplace drug use has never been a concern for 6 percent.

Respondents representing industry most often report a decrease in drug use, at 17 percent. Evidence of drug use increased most dramatically for retail; 50 percent of retail security decision makers say evidence of drug and alcohol use among employees has increased in the last year.

The total number of people employed by organizations also affects workplace drug use, according to the survey. Among organizations reporting an increase in drug use, 44 percent employ less than 500. Organizations with between 1,000 and 5,000 employees most frequently experience a decrease, at 17 percent.

EMPLOYEE THEFT

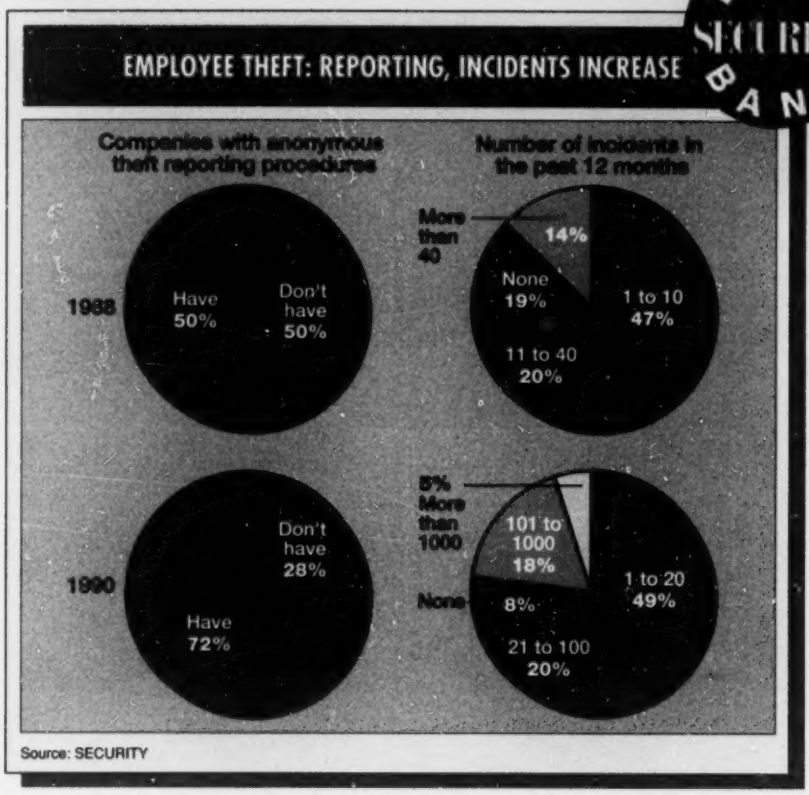
## Employee Theft Tab Grows, Reporting a Factor

From pencils to PCs, an increasing amount of property finds its way through the workplace door via the hands of employee thieves. So says SECURITY's Third Quarterly Telephone Survey of security decision makers.

SECURITY's 1988 Employee Theft Study provides a basis for comparing two theft factors: the number of known employee theft incidents which have occured in the past year and the number of companies which have anonymous theft reporting procedures.

Employee theft frequency rose considerably in two years, the survey shows. Just 14 percent of respondents experienced more than 40 incidents in 1988; 38 percent saw between 21 and 1,000 incidents in 1990.

The hefty increase in companies with anonymous theft reporting procedures contributes to the rising number of known incidents. Seventy-two percent of organizations implemented an anonymous reporting policy in 1990, compared to 50 percent in 1988. Among retail respondents, 100 percent implemented such a policy. Institutions are second at 76 percent.




**The number of known employee theft incidents significantly increased between 1988 and 1990. More theft reporting procedures help reveal thieves.**

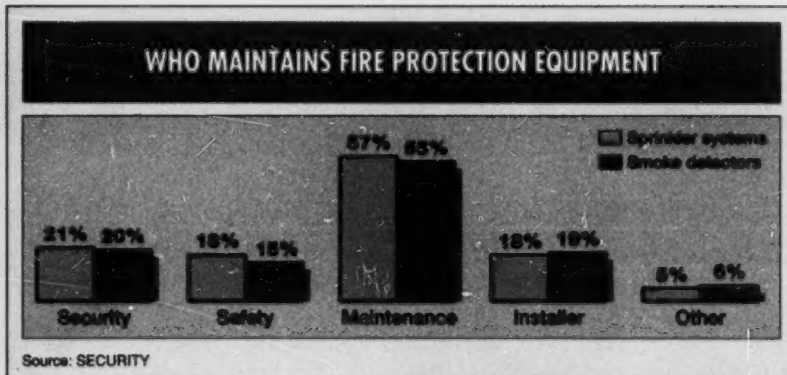
FIRE PROTECTION

## Fire Equipment Maintenance: Security Shares Responsibility

Maintenance personnel — not security or installers — usually maintain fire protection sprinkler systems and smoke detectors, says SECURITY's Third Quarterly Telephone Survey.

Security's involvement with fire protection maintenance varies by organization type. In retail, 38 percent of security decision makers say their department maintains both sprinklers and smoke detectors. Institutions often assign this task to security.

Safety personnel employed by the government maintain fire protection equipment nearly half the time. Retail, finance and institutions often call upon installers to maintain fire protection. For more on this topic, turn to this month's special section on fire protection and safety.




**Maintenance personnel — not security — most often maintain sprinkler systems and smoke detectors. Safety personnel and installers also perform this task.**

NEWS

## Security Wrap-Up: Computer Security, Drug Testing

▶ The National Security Institute reports that the Information Systems Security Association (ISSA) has developed guidelines to help corporations determine the value of **computer data**. The guidelines help assess the cost to firms when information is lost due to theft, down time or other events.

▶ Employee awareness about **drug testing** contributes to a decline in the number of employees who test positive for drugs, according to SmithKline Beecham, a Philadelphia-based drug testing firm. Thirteen percent currently test positive for drugs, down from 18 percent three years ago. The bad news: Three of 20 workers are unable to abstain from drugs long enough to pass a scheduled test.

▶ SECURITY's **Data Bank** is your source for recent, useful industry statistics. For more Data Bank statistics, turn to ENDPIECES, where you'll find October's Business Crime Index. SECURITY's exclusive Business Crime Index tracks the number of security incidents reported quarterly.

# STEPPING FORWARD

***With the mission in transition, security takes next, tentative steps. Yet looming department consolidations and downsizing could slow progress.***

*By Bill Zalud*
*Editor*

After two decades of sometimes spectacular growth, security now faces a hitch along the way. Even with budget dollars and more clout, there's increased uncertainty over bottom line results. Coupled with pervasive organizational changes, security's near-term future seems tied to overcoming the doubts. The 1990s, compared to the previous two decades, will shepherd slower growth as the security mission adjusts.

This uncertainty shapes up as security's toughest test. From results of SECURITY's 1990 Profile study, it's clear that the men and women who protect a company's assets are eager for the challenge.

It's a chance to step forward.

Security decision makers throughout the country already report an expanded menu of things to do for the company. And there's more decision makers with policy-making responsibility higher up in some organizations.

Yet progress is tentative. Broader-based tasks, coupled with packaged services and smarter gear, may convince some firms to consolidate, downsize or outsource protection needs, according to SECURITY's 1990 Profile study.

**In a Nutshell**

An annual, national study of all types of organizations, the Profile includes mailing questionnaires to a representative sample of SECURITY readers. The sample closely reflects the population of professional security decision makers in the United States.

- The Profile highlights an established link between security and safety and a growing link between security and facilities management — where many control and service functions are consolidating. While about three of four decision makers describe their job as security management, about 13 percent now say they are facilities and operations management.
- There's more sharing of security with other tasks. About half devote 75 percent or less of their time to security — spreading out to other, sometimes unrelated company duties.

Forward thinking security decision makers tend to build upon traditional security successes as they branch out while using more equipment and outside services.

## Beyond the Numbers: Comfortable With Roots

Brad Feinberg, manager of security and safety at one of the East Coast's largest cold storage and distribution operations, brings the numbers to remarkable life.

Fitting the typical niche within SECURITY's Profile study, Feinberg is anything but typical when it comes to results. He successfully protects assets, manages security technology, understands economic crime and knows his employer's business goals.

Feinberg steps forward carefully. His caution mirrors the comfort many security decision makers have in their law enforcement roots.

For example, an overwhelming 83 percent agree that a law enforcement background is helpful in private security. Such loyalty fights the contention that security needs more of a business orientation.

Private security still offers most long-term career rewards, with 61 percent reporting that they'll stick with the field until retirement time.

Yet the evidence mounts: a new breed is emerging, and stepping forward — even in the face of change.

• There's movement upward. While most decision makers (70 percent) are middle managers of security or loss prevention, about 8 percent now say they are top management.
• Responsibilities are enlarging and diversifying rapidly. Nearly half of security departments took on additional assignments — some in rather alien territory — during the past year.

Obviously, most have responsibility for typical tasks — investigations, for example. Almost half have safety too. About one-third handle compliance and executive protection. One in 10 directs mail services, facilities management and meeting planning.
• Programs involving security continue to proliferate, too.

"Security's expansion will encompass almost every conceivable approach to loss prevention and protection of assets. It's very broad," says John D. Case, CPP, president, John D. Case & Associates of San Diego.

More than eight of 10 organizations have security and safety awareness programs as well as new employee orientation and disaster planning. Yet there's variation within business and industry as security directs some programs while merely is an involved partner in other programs.
• Caught up in such change, security feels additional pressure from above to increase performance.

## Downsizing, outsourcing and consolidations make for an uncertain future.

SECURITY's Profile finds more firms measuring security performance with Management By Objective and formal presentations to top company officers. Such scrutiny goes beyond the typical evaluation with a supervisor.
• The average security department budget continues to increase slightly. In 1990, it's $335,000 as compared to 1989's $314,397.
• A lull in staff cutbacks may be ending. The average security department is about 11 people — a figure that has not changed much in three years. Yet the recently-released *Hallcrest Report II* predicts a reduction to 8.8 people per department by the year 2000.
• With overhead under pressure, more money goes for equipment and services.

Not surprisingly, keys and locks, fire protection and communications equipment are the most often used security measures. More than seven of 10 departments also use alarm monitoring, investigations, safes and access control in some way.

About 69 percent of departments participating in the Profile study have security officers.
• Turnover at the top of security is low but accelerating. On the average, a security decision maker has been in his or her position for 7 years and with the organization for about 10 years. The national average for turnover is 4.7 years.

Yet, increasingly, and notably this year, there's more interest in promotion, especially outside a person's current employer.

Changing times are challenging and potentially dangerous: the mission shifts, turnover — even at the top — accelerates, staff-reducing technology and services gain.

### Decision Making Shifting

The most compelling Profile point: Security decision making itself is moving up and down and — sometimes — outside organizations. No matter the direction, the move can be a step forward. But dangers exist.

When security moves up, it tends to lose its identity, many times blending into other, already existing functions.

When it moves down, security handles more pedestrian tasks.

Downward motion may signal a reduction in overhead. "The director leaves; the assistant gets promoted — but as a manager not a director," says Read Hayes, president, LP Specialists, Winter Park, Fla.

### Pass-Along Security

There's also downward movement that really distributes security into a company's neighborhoods, much like computer management in the 1980s.

"Several progressive security departments, rather than increasing staffs,

### Diversifying Services

**Tom Lekan, corporate director of security and loss prevention, Nestle Enterprises Inc.,** moves forward by diversifying into a host of services.

Nested in the legal area, Lekan tailors services and consultant advice to autonomous Nestle companies.

Using an efficient, flexible and small staff, Lekan depends on careful analysis thanks to a computerized security data base and a crisis management plan.

There are numerous partnerships. In particular, loss prevention has its own design group that works to design security into structures. "A good loss prevention program lets you talk the same language as upper management," he says.

### Managing Facilities

**Sandra Kerin, vice president, Sage Realty Corp.,** manages a business community within New York City high rises. Using forward-thinking programs, polished officers and effective technology, Kerin provides office tenants with a safe and secure working environment.

Kerin supervises field activities at various buildings in New York City. At the same time, she brokers arrangements with service firms.

Aim is reasonable protection that's not overly inconvenient. Her goal is helped through inventive security awareness programs.

"I work with property managers and their staffs," says Kerin. Critical systems include life safety, access control, intrusion and surveillance.

train location representatives, with some security responsibilities. These location security administrators usually have other, primary tasks," observes Case.

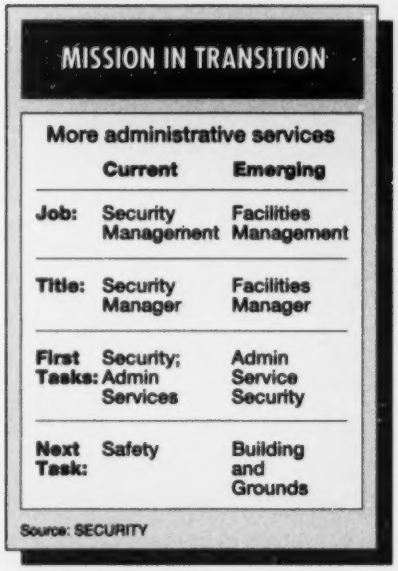
Also emerging: security as in-house consultant, offering services routinely and on request. Some of these inside "consultant shops" charge-back through faddish allocations.

**Brokering Services**

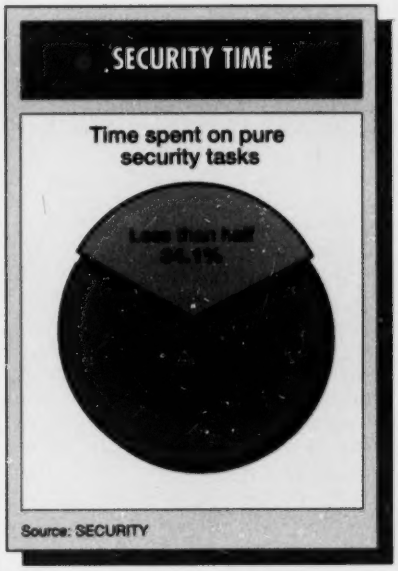
A next step for some is increased dependence upon outside services. Often when security moves outside, what's left inside diffuses. "Someone internally will have to broker the array of protective services and equipment options," points out William Cunningham, *Hallcrest Report II* project director and president, Hallcrest Systems Inc., McLean, Va. The inside broker needn't be a typical security director, though.

Automation also impacts security, especially the push to integrated systems.

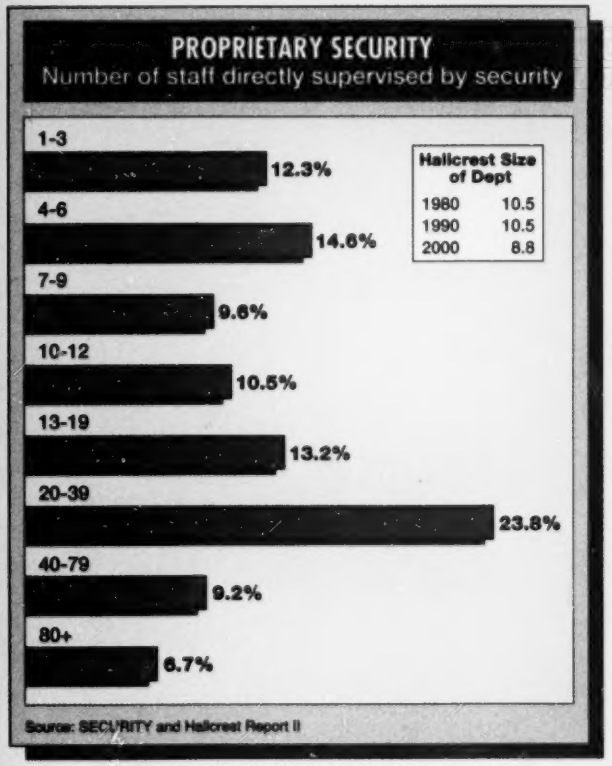
Security equipment manufacturers



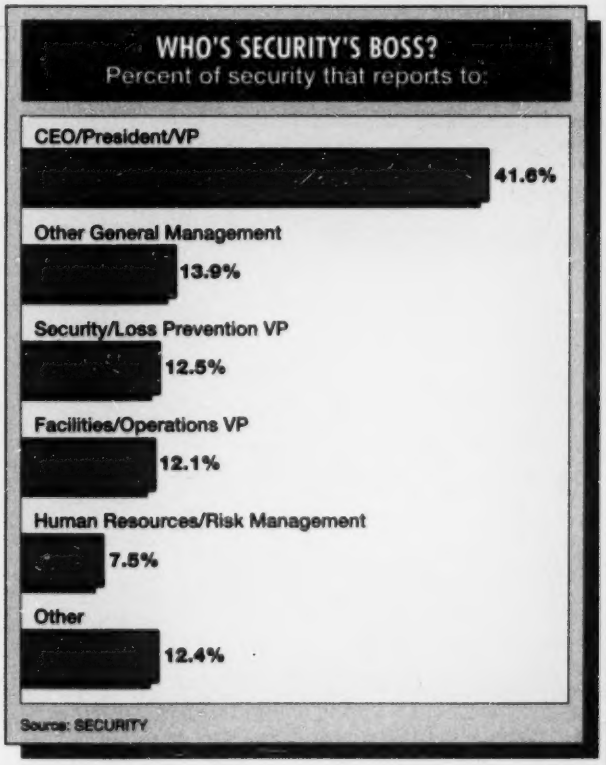

**Security management becomes more all-encompassing with diversity.**




**More decision makers mix security with other, sometimes unrelated, tasks.**




**Almost half of security decision makers supervise 12 or fewer employees. Projections point to less staff.**




**While some decision makers report to the top, many report to facilities, human resources or risk management.**

are "all after the same end — fully integrated systems that comprise security, facilities and management," admits John Schulte, vice president of marketing and sales, Javelin Electronics Inc., Torrance, Calif.

Emerging system integration mirrors the changing organizational structure that security now faces.

Equipment mergers will lead to new, higher level systems, in which some of security's separate identity is also lost.

Such changes can hit decision makers right where they sit — or used to sit.

Downsizing is a force to reckon with. Some downsizing may be a pendulum swing from past growth. "Too many security departments, especially within large organizations, were overstaffed and underperforming. It's catch-up time," contends Case.

**Facing a Sluggish Economy**

Sizing down also glitters more brightly in today's sluggish, some say recessionary, economy. The 1990s augur flat growth and uncertain profits. The goal of many businesses: be as lean as possible while maintaining a small management corps — cost-efficient and flexible.

**There's a growing link between security and facilities management.**

This "fewer people doing more" philosophy also spurs outside services.

Called outsourcing, and first used to convert proprietary to contract officers, the trend outside continues.

"I see companies contract everything out except the site security manager," says Alexander J. Autote, CPP, president, Asset Protection Resources Inc., Stamford, Conn. Even then, consultants and security engineers can replace management. Cost-sensitive firms quickly discover it's "cheaper to have someone come in, solve a problem and then leave," adds Autote.

**Lamenting Hired Guns**

"Hired guns! There's no commitment to overhead," laments Stevan Layne of Layne & Associates, Dillon, Colo. "But I don't care for it. Most consultants advise clients to have a security professional in-house."

## MORE PROACTIVE PROGRAMS

Security decision makers offer prolific programs

| Program | Have | Direct | Involved |
|---|---|---|---|
| Security Awareness | 88.3% | 40.6% | 13.9% |
| Safety Awareness | 86.7% | 14.8% | 31.1% |
| New Employee Orientation | 86.3% | 5.3% | 34.4% |
| Disaster Planning | 85.9% | 20.1% | 29.5% |
| Security Staff Screening | 76.8% | 28.9% | 15.6% |
| All-Employee Screening | 72.1% | 10.2% | 20.9% |
| Ethics Policy | 65.4% | 3.7% | 16.2% |
| Employee Assistance | 64.1% | 3.1% | 19.1% |
| Computer Security | 58.8% | 16.2% | 17.8% |
| Computerized Incident Program | 41.8% | 12.9% | 10.5% |
| Community Outreach | 38.7% | 1.6% | 13.9% |

Source: SECURITY

**Security directs programs with clear protection ties, and it gets involved with others in orientation, safety and planning issues. This sharing of programs leads to sharing of budgets and potential consolidations.**

## MORE SERVICE AND SHARING

Security decision makers cover diverse areas

| Function | Responsible For | Share Budget | Advise On |
|---|---|---|---|
| Investigations | 68.0% | 6.1% | 16.2% |
| Safety | 47.3% | 10.9% | 35.5% |
| Compliance | 34.4% | 6.4% | 22.5% |
| Executive Protection | 33.4% | 4.1% | 18.9% |
| Facilities Management | 15.6% | 7.4% | 26.6% |
| Meeting Planning | 13.7% | 4.5% | 18.0% |
| Transportation | 12.5% | 7.0% | 21.3% |
| Telecom | 11.9% | 7.6% | 25.0% |
| Mail Service | 11.1% | 4.1% | 18.4% |
| Plant Management | 9.8% | 3.3% | 20.5% |
| Human Resources | 9.2% | 6.6% | 30.7% |
| Auditing | 9.0% | 4.3% | 26.2% |
| Engineering | 8.4% | 2.7% | 18.6% |
| Information Processing | 7.8% | 4.3% | 21.9% |
| Architecture | 5.5% | 3.1% | 41.2% |
| Marketing | 3.1% | 1.2% | 13.5% |

Source: SECURITY

**There's a diversity of security, administrative and facilities tasks. Total is more than 100 percent because of multiple response.**

Layne and other security observers feel the profession has settled in. "There's less changing around now," argues Steven Keller, CPP, president, Steven Keller and Associates, Deltona, Fla. He minimizes as temporary any downsizing and consolidations.

Keller asserts that security is getting more complex. No longer the responsibility of, say, a personnel manager, safety and security deserve the "attention of a professional specialist," he believes.

Yet both Keller and Layne buck widening evidence of in-house security operations at risk.

For instance, *Hallcrest* shows that consultants and engineers will outpace in-house growth. It also predicts fast growth for equipment and alarm monitoring services — two areas that trade off people for technology. In addition, SECURITY's Profile already pinpoints consolidations — 12 percent of security departments answer to facilities and operations management while another 7.5 percent of security departments report to human resources or risk management.

More telling, security decision makers themselves — while sometimes denying it's a trend — spend more each year on services and buy gear that does more with fewer people. □

## Customized Consultant Advice

**Steve Howell, corporate security manager, 3M Co.,** has his area reflect missions and strategies of the company. A lean and flexible staff mixes generalist abilities with technical, security and planning specialties.

Howell actively delegates and seeks allies within other company areas — legal, human resources, operations, auditing, engineering and medical services.

Using a consultant approach, Howell and his staff work with plant engineers and office managers in 3M facilities throughout the world.

"It's our duty to analyze, come to conclusions and spot how business and financial trends impact security and the bottom line," says Howell.

## Moving Forward Through Cooperation

**Richard Mustafa, chief security administrator, City of Detroit Department of Water and Sewerage,** protects a metropolitan community and its precious water supply.

Taking on more responsibilities, Mustafa's security function has reached right into the Detroit community with innovative awareness programs that encourage cooperation.

Managing primarily a proprietary force and mixing in security systems, Mustafa succeeds by emphasizing quality and lines of communication.

"A change of mindset from law enforcement to business is helpful," he says. It depends upon cooperation — getting people to do things by persuasion, not force.

### SECURITY BUDGET

| Total security expenditures this year | |
|---|---|
| Less than $25,000 | 7.0% |
| $25,001 - $50,000 | 7.2% |
| $50,001 - $100,000 | 9.1% |
| $100,001 - $250,000 | 18.8% |
| $250,001 - $500,000 | 14.4% |
| $500,001 - $750,000 | 10.1% |
| $750,001 - $1 million | 11.0% |
| $1,000,001 - $2.5 million | 11.8% |
| More than $2.5 million | 10.6% |

**Average Department Budget**
1989: $314,397
1990: $335,000

**Total Proprietary Costs**
1980: $8.25 billion
1990: $13.6 billion
2000: $16 billion

Source: SECURITY and Hallcrest Report II

**There's some increase in the budget with overhead growing more slowly.**

### A PERSONAL TRANSITION
Slow evolution

| | |
|---|---|
| Age | 44 |
| Education | 37.5% have bachelor's degree |
| Background | 26% have no law enforcement background |
| Salary | $43,420 |
| Current position | 7.76 years |
| With organization | 10.75 years |
| In security | 12.86 years |

Source: SECURITY

**Security decision makers are younger, better educated and more loyal than the typical worker.**

# ENDPIECES

*Alerts and trends for your planning effort.*

## IN THE FUTURE

SECURITY's November issue is the *1991 Directory of Products and Services.* This simple-to-use reference brings scores of security products and services within reach. Use the directory to help plan all of your 1991 purchases.

In December you'll meet SECURITY's 1990 Executive Achievement Award recipient. Also in December, look for SECURITY's Special Report on Security Officers. The report will help security decision makers manage proprietary and contract officers, and it offers pre-employment screening suggestions. December's EQUIPMENT FOCUS takes a look at document destruction equipment. SECURITY SERVICES covers consulting services.

## EVENTS

**November 11 to 14**

Disaster management is the theme for the National Fire Protection Association's (NFPA) fall meeting in Miami. Problems resulting from natural and man-made disasters are the focus. Contact NFPA's Meetings and Travel Department at (617) 770-3000 for registration information.

**November 28 to 30**

Communications and information security and investigations technology are the themes for Surveillance Expo 1990 in Crystal City, Va., sponsored by Tech Strategies Inc., Adamstown, Md. Contact Jim Ross at (202) 331-1125 for information.

**November 28 to December 7**

Barnwell, S.C.-based consulting firm BE Inc. hosts the Physical Protection Systems Training Course in Albuquerque, N.M. The course teaches attendees how to evaluate physical protection systems and how to determine appropriate upgrades. For information contact Gary Dewey at (803) 259-2346.

**December 3 to 7**

Aerospace Computer Security Associates and the American Society for Industrial Security sponsor the Sixth Annual Computer Security Application Conference in Tucson, Ariz. The conference explores operational requirements for both civil and military systems. For information contact Diana Akers at (703) 883-5907.

**December 6 to 7**

The American Society for Industrial Security sponsors the "Security Techniques and Strategies in the Transportation Industry" workshop in Jacksonville, Fla. The program explores approaches to deal with cargo theft, hijacking and property loss due to government seizure. Contact Mindy McDonnell at (703) 522-5800.

## DEPARTMENTS OF INFORMATION

EQUIPMENT FOCUS is the place to learn what product lines ranging from padlocks to time lapse recorders have to offer.

To receive one copy of the following original EQUIPMENT FOCUS reports, use the reader service card.

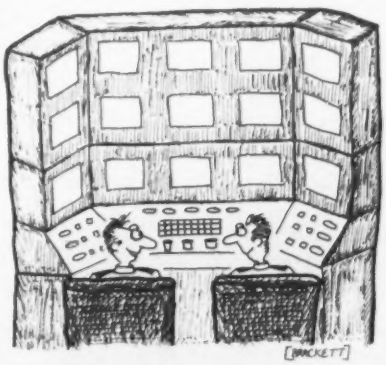
**Proximity Access Control Systems**
September 1990
For information circle **180**

**Two-Way Radios**
August 1990
For information circle **181**

**Guard Enclosures**
July 1990
For information circle **182**

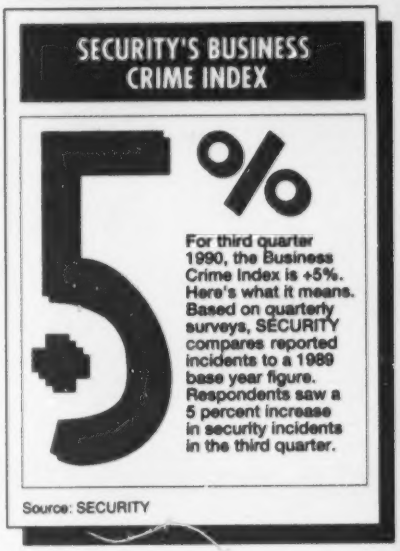
**Time Lapse Recorders**
June 1990
For information circle **183**

## IN SECURITY




So what is it going to be tonight — monitor the building or watch 15 separate TV shows?

## BUSINESS CRIME INDEX


SECURITY'S BUSINESS CRIME INDEX
5%
For third quarter 1990, the Business Crime Index is +5%. Here's what it means. Based on quarterly surveys, SECURITY compares reported incidents to a 1989 base year figure. Respondents saw a 5 percent increase in security incidents in the third quarter.
Source: SECURITY

**SECURITY's exclusive Business Crime Index appears quarterly in ENDPIECES.**

## QUICKIE QUESTION

Tell SECURITY how you secure your organization. Before you send in the Reader Service Card for product information, consider this Quickie Question.

**Has your organization purchased and/or installed lighting to upgrade parking facility security in the past six months?**

If you say YES, circle 185.

If you say NO, circle 186.

If you plan to purchase lighting in the next six months, circle 187.

If your organization does not have parking facilities, circle 188.

## YOUR ANSWERS

In July, SECURITY asked readers if a key control problem at their organization contributed to an increase in security incidents in the past six months.

Among respondents, 38 percent say a key control problem contributed to an incident increase in the past six months. Another 51 percent did not experience key control problems. Eleven percent say key control doesn't apply to operations at their organizations.